

FISCAL NOTE

Bill #: HB0178

Title: Allow certain retired teachers & administrators to work without loss of benefits

Primary Sponsor: Fritz, N

Status: As Amended in House Committee

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	FY 2004 Difference	FY 2005 Difference
Expenditures:		
General Fund	\$0	\$0
Other	\$7,000	\$0
Revenue:		
General Fund	\$0	\$0
Net Impact on General Fund Balance:	\$0	\$0

- | | |
|---|---|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

1. Retired Teachers' Retirement System members who have received benefits for at least 12 months may be re-employed part-time or full-time through July 1, 2006, as a teacher, specialist, or administrator by an employer other than the University System, without loss of TRS retirement benefits.
2. Retired teachers and administrators will be hired into positions normally reported to TRS; therefore, the employer contributions paid to TRS by school districts will not increase.
3. Any retired TRS member re-employed or continuing to be employed under the provisions of this act after July 1, 2006, would be subject to the earnings and employment limitations under 19-20-804, MCA.
4. It is not possible to estimate the cost of this proposal on the Teachers' Retirement System because the number of retired teachers and administrators who would be re-employed is not known.
5. Due to the limitations and reemployment conditions included in this act, there is not expected to be an actuarial cost impact on the TRS associated with this proposal.
6. Cost of modifications to the TRS automated pension administration system in FY 2004 will not exceed \$7,000.

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(continued)

FISCAL IMPACT:

Teachers' Retirement System	FY 2004 <u>Difference</u>	FY 2005 <u>Difference</u>
<u>Expenditures:</u>		
Operating Expenses	\$7,000	
<u>Funding of Expenditures:</u>		
Other Pension Trust	\$7,000	
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
Other (Pension Trust)	(\$7,000)	

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

To the extent that retired TRS members are hired in place of teachers and administrators who would normally be reported to TRS, school district's contributions to TRS will not increase.

LONG-RANGE IMPACTS:

Due to the limitations and reemployment conditions included in this act, for example, a 12-month waiting period, 3-year sunset, or limited eligibility and continuing employer contributions, there is not an expected actuarial cost impact on the Teachers' Retirement System associated with this proposal. The report required under Section 1 subsection (d) would include an actuarial study, which would not exceed \$30,000.